

HOMELAND SOLAR

Own Your Own Power™

Residential • Commercial • Municipal



House Energy Committee Members:

May I start with a question and ask how many on the Committee have solar on, or at, their residence?

I'm one of those Qualified Installers who's stuck to the knitting of installing systems only in Michigan since PA295 was passed nearly 10-years ago. Homeland Solar is based in Washtenaw County; and has installed well over a 100 systems there and in surrounding counties, while also working as far away as in the Keweenaw and on Presque Isle in Marquette.

We've got all Michigan personnel, typically only a dozen or so working – although I'm fielding inquiries every week from others who wish to join in our work. We were pleased to receive last year's annual Business Leadership award from GLREA.

We're just \$1 million or so in annual business; and one of the reasons we're as small as we are is because if you restrict your book of business to Michigan (where POWER is held quite tightly by the powers that be), these Energy Freedom Bills are a necessary part of the business-growth equation.

Although the sun comes up on each of us the same every day, we do not all have equal access to it. Perhaps you saw the slide of another who appeared previously that showed how the centralization of control over interconnection to "the public's" electricity grid actually PREVENTS (economically) all but about 20 percent of Michiganders to access on an ownership basis the LIGHT that shines freely on all.

This means that rules YOU, as our elected representatives, allow to stand trammel, inhibit or block four of every five of us in this room from *owning our own power* (on the most economical basis).

Is it the American way to be forced to live your life by another's leave? My degree was in economics, besides building, my background is in finance, banking and asset management. My reasoned estimate is that the cost of capital is about 10 percent LESS per year if you're an owner. Does having equity matter?

If you're among the 20-30% who have access to open SUNLIGHT at your residence, you can pay cash and own your own power, or use homeowner equity, typically around 4% these days. This is the same rate ALL Michigan citizens have access to for solar or energy financing through Michigan Saves (100% of the cost is available, with no security interest taken in your property or the solar panels themselves).

On the other hand, if you HIRE your solar from an absentee investor (a 3rd party owner put at risk for an investment you use but won't own) are you going to get the same zero or 4% cost of capital? Not on your life! What is the investment return on risk capital for a 3rd party owner for something YOU use but can never own? Yes, it's about 10% higher, per year, forever. Who's headed for the American dream now?

Is your vision of the future of renewable, sustainable power for Michigan that 70-80% of us wish to be tenant farmers of sunlight owned by others for our lifetimes, the lifetimes of our children and beyond? By its very essence, control-in-perpetuity is where monopoly power is driven. This is ESPECIALLY true if and when that monopoly power is investor (3rd party) owned.

Public funds have built a marvelous power grid. Only if you're in a municipal or co-op system, however, or one of the 20% whose buildings "see" the LIGHT clearly each day, can you actually gain EQUITY in the power supply you are absolutely dependent on.

IF given a level playing field with triple bottom line¹ considerations taken into account, the economics of solar are already as good, or better, than any. The advance of power storage is poised to give all of us a third shot at personal energy independence, i.e., “the SOLAR 24”, or 24-7-365, that’s needed to put an exclamation point on the Creation(s) that Mother Nature and human ingenuity have made REAL.

For those of you with grid-tied solar power at home or work, when you’re not using everything you generate when it’s generated, where does it go? Virtually at the speed of light, it goes to your very nearest neighbor who is using power and lacks sufficient solar or equal. Who benefits? Your neighbor pays the going MPSC-approved RETAIL rate for every kilowatt hour (kWh). The utility’s distribution system simply rings the cash register (cha-ching) and does NOT have to dispatch as much power to the neighborhood.

This system demonstrates simplicity, teamwork, shared costs and shared benefits. It’s a two-way street. Functional benefits for all – all across the service territory of MPSC approved rights, preferably uniform.

Introducing complexity to simplicity is NOT an advantage. No qualified energy analyst or solar installer, already involved in design-engineering and optimizing loads vs use across seasons and diurnal calendars wants to have to clear more hurdles of intervals and “classifications” to tweak IRR’s for I.O.U.’s.

Keeping and providing for the simplest and most universal interconnection rules is your absolute duty as a public servant.

Of MPSC and M.A.E. our “ask” is that each works to ensure that the distribution system, the GRID, is simple, transparent, OPEN and as EFFICIENT as possible (e.g., On Bill Credit services). If so, citizens will be free to invest in, connect to and use for personal requirements what’s paid for by the public anyway (O&M included). If Michigan does this, the state will jump forward into 21st Century tech and not PUSH its citizens into tertiary² investments in personal access to power, i.e., STORAGE (as it comes on).

On behalf of Homeland Solar, a 100% Michigan boots-on-the-ground installer, I urge this committee to put forth the Energy Freedom bills as presented and to URGE your colleagues to place citizen rights to the grid FIRST – knowing that citizen funds paid for every substation, every linear foot of wire, every pole or piece of underground wire out there – and always will.

How can this be done? If creativity rather than the status quo can be brought to bear, leadership at the I.O.U.’s, at the municipals, at the co-ops and at the independents can – and will – get it done.

For all who were not in Traverse City last June, as you answer the HOW question and envision the future please take the time to listen to the CEO of Vermont’s investor-owned utility, Green Mountain Power.

<https://m.youtube.com/watch?v=rRrDiFMcwQI&feature=youtu.be>

One of our own municipal company CEO’s – a career woman with a background at DTE and also at a larger municipal - wrote me just yesterday that this was one of the best presentations she has ever heard from an energy company CEO.

Dave Friedrichs, Owner / Mgr
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with Postscript.³

¹ People, profit and planet

² First having paid publically for the distribution grid; second having invested in solar for private R.E. power; third, having to add storage for power independence (due to a LACK of public access to “privatized-centralized” grid.

³ As sidebar legislation to the Energy Freedom Bills, PLEASE get behind the very sensible, very justified **SB 1031** exempting personal use energy property (solar panels) from real estate tax – allowing, instead, for Market Values to be determined by the actual (and eventual) transfer/sale of real property between willful parties. *Thank you.*